

## Corporate Officers

*To be exempt from industrial insurance coverage a corporate officer must meet the following criteria:*

**Public corporation** - has more than 300 shareholders and may sell the shares of stock on the public stock exchange.

1. **Bona fide officer.**

Performing the duties of such office as defined in the corporate articles and bylaws.

2. **Voluntarily elected or appointed.**

Elected or appointed of their own free will and knowledge.

3. **Bona fide director and shareholder.**

Carrying out the duties of the director as defined in the corporate articles and bylaws and owning corporate stock in his/her own name.

4. **Exercise substantial control in the daily management of the corporation.**

On a daily basis, make management decisions over a function or functions which have some effect on the entire corporation.

5. **Primary responsibility not to include manual labor.**

Corporate officers are not exempt if their primary duties include functions other than administration or professional occupations. Those officers performing blue-collar type duties are not exempt.

**Non-public corporation** - has fewer than 300 shareholders and shares are not for sale on the public stock exchange.

May exempt up to **eight (8) officers**, even if they perform manual labor, if they meet the following criteria:

1. **Shareholder in the corporation.**

2. **Exercise substantial control in daily management of the corporation** - on a daily basis, make management decisions over a function or functions which have some effect on the entire corporation.

OR

**Family owned corporation (all officers must be related)** - may exempt all corporate officers if each one is related by blood within the third degree or marriage and is a bona fide officer. They are not required to be shareholders or directors to be exempt from coverage.

1st Degree = Parent/child

2nd Degree = Grandchild/brother/sister/grandparent

3rd Degree = Great grandchild/nephew/niece/uncle/aunt/great grandparent

Related by marriage means legally married within the laws of Washington State.

**Status of Corporate Officers will be determined by the following:**

- Title 23B RCW (Corporate Laws)
- A corporation's own bylaws and articles
- Substance over form
- Those holding honorary titles are not exempt and are reportable if they provide a paid service as a worker.

RCW 51.12.020

CORPORATE OFFICERS

This card is intended as a Quick Reference Guide. We make every effort to ensure that it is correct. When using this card, please understand it is not intended to replace Department of Labor and Industries or insured's policies, procedures, RCW's or WAC's in their entirety.